

Message Text

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73

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-07

FMC-01 INR-07 NSAE-00 RSC-01 CG-00 COA-01 DLOS-03

PM-03 H-01 L-02 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 TRSE-00 OMB-01 /073 W
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R 061940Z FEB 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 9279

INFO AMEMBASSY PORT OF SPAIN

AMEMBASSY BOGOTA

AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAY

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY KINGSTON

AMEMBASSY MANAGUA

DKRUESMO/AMEMBASSY MEXICO 1667

AMEMBASSY PANAMA

AMEMBASSY PORT AU PRINCE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: PFOR, ETRD, EWWT, CS

SUBJECT: FORMATION OF REGIONALLY OWNED CARIBBEAN SHIPPING
COMPANY

REF: PORT OF SPAIN 0273

SUMMARY. PRESS COVERAGE IN COSTA RICA COINCIDES WITH THAT
IN TRINIDAD AND ARGUES FOR THE SUCCESSFUL CREATION OF A
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CARIBBEAN MERCHANT FLEET.

1. ON JANUARY 25 COSTA RICAN PRESS CARRIED AN ANNOUNCEMENT SIMILAR TO THAT MADE IN PORT OF SPAIN ON JANUARY 31 AND REPORTED IN REFTEL. AS IN PORT OF SPAIN CASE, ANNOUNCEMENT ATTRIBUTABLE TO MEXICAN SUB-SECRETARY OF FOREIGN RELATIONS WHO MADE A SWING THROUGH COSTA RICA, JAMAICA, TRINIDAD, BARBADOS AND VENEZUELA PROMOTING THE IDEA OF CREATING A CARIBBEAN SHIPPING COMPANY. TONE OF ANNOUNCEMENT AS REPORTED HERE PLACED EMPHASIS ON NEED FOR REGIONALLY-OWNED FLEET IN ORDER TO BREAK ECONOMIC DEPENDENCE ON TRANSNATIONAL SHIPPING COMPANIES WHICH ARE NOT ATTUNED TO THE DEVELOPMENTAL NEEDS BS THE AREA. UNLIKE TRINIDAD ANNOUNCEMENT NO MENTION OF NON COMPETITIVENESS WITH EXISTING SHIPPING SERVICES WAS MADE IN NEWSPAPER COVERAGE.

2. REPORTS HERE INDICATE THAT PARTICIPATION IN THE NEW FIRM WOULD BE OPEN TO ALL CARIBBEAN COUNTRIES, INCLUDING CUBA, THAT OWNERSHIP WOULD BE LIMITED TO THE PUBLIC SECTOR AS PRIVATE CAPITAL PARTICIPATION WOULD LEAVE THE COMPANY OPEN TO THE ENTRY OF TRANSNATIONAL FIRMS, THAT EACH COUNTRY'S PARTICIPATION WOULD BE LIMITED TO 15 OR 20 PERCENT IN ORDER TO AVOID DOMINATION BY BIGGER STATES SUCH AS MEXICO, AND THAT THE COMPANY WOULD BE FORMED IMMEDIATELY BY THOSE COUNTRIES INTERESTED WITH THE REMAINING COUNTRIES OF THE AREA BEING GIVEN THE OPTION OF JOINING LATER.

3. THE REPORTS GO ON TO SAY THAT A PREPARATORY MEETING OF THE INTERESTED COUNTRIES IS TO TAKE PLACE IN SAN JOSE IN LATE APRIL. COUNTRIES ARE BEING URGED TO SEND DELEGATES EMPOWERED TO SIGN ACCORDS AND SUBSCRIBE CAPITAL. THE ORIGINAL CAPITAL INPUT IS ESTIMATED AT A LOW SUM OF AROUND EIGHT MILLION DOLLARS. IT IS HOPED THAT THE COMPANY WILL BE READY TO START OPERATIONS IN OCTOBER, 1975.

4. EMBASSY COMMENT: THE IDEA OF CREATING A REGIONAL MERCHANT FLEET IS NOT A NEW ONE AND HAS CROPPED UP REGULARLY IN COSTA RICA. PREVIOUS EFFORTS HAVE FAILED. HOWEVER, WITH THE APPARENT VIGOROUS PARTICIPATION OF MEXICO AND SUPPORT OF VENEZUELA, IT IS MUCH MORE LIKELY THIS LATEST EFFORT STANDS SOME CHANCE OF SUCCESS. A HIGH COSTA RICAN MINISTRY OF FOREIGN RELATIONS OFFICIAL HAS LIMITED OFFICIAL USE

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CONFIRMED TO THE CHARGE THAT THIS PROPOSAL IS UNDER ACTIVE CONSIDERATION IN COSTA RICA AND FOREIGN MINISTER FACIO HAS ANNOUNCED COSTA RICAN SUPPORT OF THIS VENTURE. LANE

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